Government of
Saskatchewan

2005 - 2006
Annual Report

Saskatchewan
Learning

Saskatchewan
Student Aid Fund

Table of Contents

Letter of Transmittal from the Minister 1

Letter of Transmittal from the Deputy Minister 2

Highlights of the Saskatchewan Student Aid Fund and Student Financial Assistance Branch in 2005-06 3

The Saskatchewan Student Aid Fund 5

- Organization and Administration 6
- Trustees 7
- Scholarship, Bursary and Loan Committee 8
- Minister and the Department 8
- Accomplishments Based on 2005-06 Action Plan 10
- 2006-07 Action Plan 11

Canada-Saskatchewan Integration Agreement for the Harmonization and Administration of Federal and Provincial Student Loan Programs 12

Saskatchewan Student Assistance Programs

- Full-time Student Loans 13
- Debt Reduction Benefits 15
- Part-time Canada Student Loans 17
- Assistance for Students with Permanent Disabilities 18
- Canada/Saskatchewan Study Grants and Canada Access Grants 18

Other Awards Administered through the Student Aid Fund 21

- Federal Awards 21
- Scholarships 22

Statistical Summary of Saskatchewan Student Assistance Program Activity . . . 23

Financial Results

- Management's Responsibility for Financial Statements 28
- Provincial Auditor's Report 29
- Financial Statements 30-40

Table of Contents

Graphs

Graph 1 - Number of Authorized Loans 14
Graph 2 - Debt Reduction Benefits 16
Graph 3 - Interest Relief 17
Graph 4 - Part-time Canada Student Loans 17
Graph 5 - Canada/Saskatchewan Study Grants & Canada Access Grants 19

Tables

Table 1 - Summary of Awards and Benefits 4
Table 2 - Maximum Loan Assistance and Benefits 14
Table 3 - French Minority Language Travel Bursary and Fellowship Bursary 21
Table 4 - Scholarships 22
Tables 5 & 6 - Full-time Loans 23
Tables 7 to 12 - Debt Reduction Benefits 23-24
Tables 13 to 15 - Debt Management Tools 24
Table 16 - Part-time Loans 24
Tables 17 to 21 - Canada/Saskatchewan Study Grants 25
Tables 22 & 23 - Canada Access Grants 25
Table 24 - Other Awards 26
Tables 25 to 27 - Loan Receivables & Repayments 27

Letter of Transmittal

The Honourable Dr. Lynda M. Haverstock
Lieutenant Governor
Province of Saskatchewan

Your Honour:

I have the honour to present the annual report of the Saskatchewan Student Aid Fund for the year ending March 31, 2006. The financial statements included in the report were prepared by the Department of Learning and audited by the Provincial Auditor of Saskatchewan.

Respectfully submitted,

Deb Higgins
Minister of Learning

Pat Atkinson
Minister of Advanced Education and Employment

Letter of Transmittal

The Honourable
Deb Higgins
Minister of Learning

The Honourable
Pat Atkinson
Minister of Advanced Education and Employment

I have the honour of presenting the annual report of the Saskatchewan Student Aid Fund for the fiscal year ending March 31, 2006.

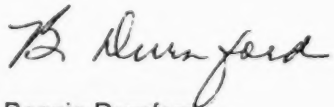
During the year under review, the program has maintained a high degree of accessibility to post-secondary programs and services and expansion of services to meet the needs of individuals and communities in Saskatchewan.

For the 2005-06 fiscal year, just over 15,000 applications were approved, and over $134 million in student financial assistance was authorized. Other activities that occurred during the year under review include:

- The on-going implementation of the Canada-Saskatchewan Integration Agreement for the Harmonization and Administration of Federal and Provincial Student Loans Programs;
- Implementation of the National Designation Policy Framework and Saskatchewan Designation Policy; and
- The implementation of initiatives to improve financial assistance.

I believe that the existing internal controls provide reasonable assurance that the Saskatchewan Student Aid Fund assets are safeguarded and that the financial records are reliable for preparing information and maintaining accountability for assets.

Respectfully submitted,



Bonnie Durnford
Deputy Minister
Saskatchewan Learning

Highlights of the Saskatchewan Student Aid Fund and Student Financial Assistance Branch in 2005-2006

- There were just over 15,000 full-time Canada-Saskatchewan Integrated Student Loans authorized by the Student Financial Assistance Branch.
- The amount of authorized assistance totalled over $79 million in Canada Student Loans and over $54 million in Saskatchewan Student Loans.
- Over $36 million in debt reduction benefits were authorized to students.
- Over $898,000 in benefits were provided through debt management tools for students having difficulty repaying their loans.
- Over $1.2 million was provided in Canada and/or Saskatchewan Study Grants for the Accommodation of Students with Permanent Disabilities, High Need Students with Permanent Disabilities, High Need Part-time Students, Part-time Students with Dependents, and Females Pursuing Doctoral Studies.
- Over $2 million was provided in Canada Access Grants.
- Over $1.1 million was paid through the Fund in other awards such as scholarships and bursaries.
- Total loans receivable were over $81 million.
- Almost $194,000 was authorized to 89 students in Part-time Canada Student Loans.
- Administered the Canada-Saskatchewan Integration Agreement for the Harmonization and Administration of Federal and Provincial Student Loans Programs through the Joint Management Committee and various working groups.
- Saskatchewan's Designation Policy was implemented by establishing Memorandums of Agreement (MOAs) with educational institutions. The MOAs articulate the roles and responsibilities of government and institutions in supporting student success and maintaining designation status for student loans.
- Initiated the Summative Evaluation for the Canada-Saskatchewan Integrated Student Loans Program.
- Implemented a number of federal and provincial enhancements to the student loans programs.

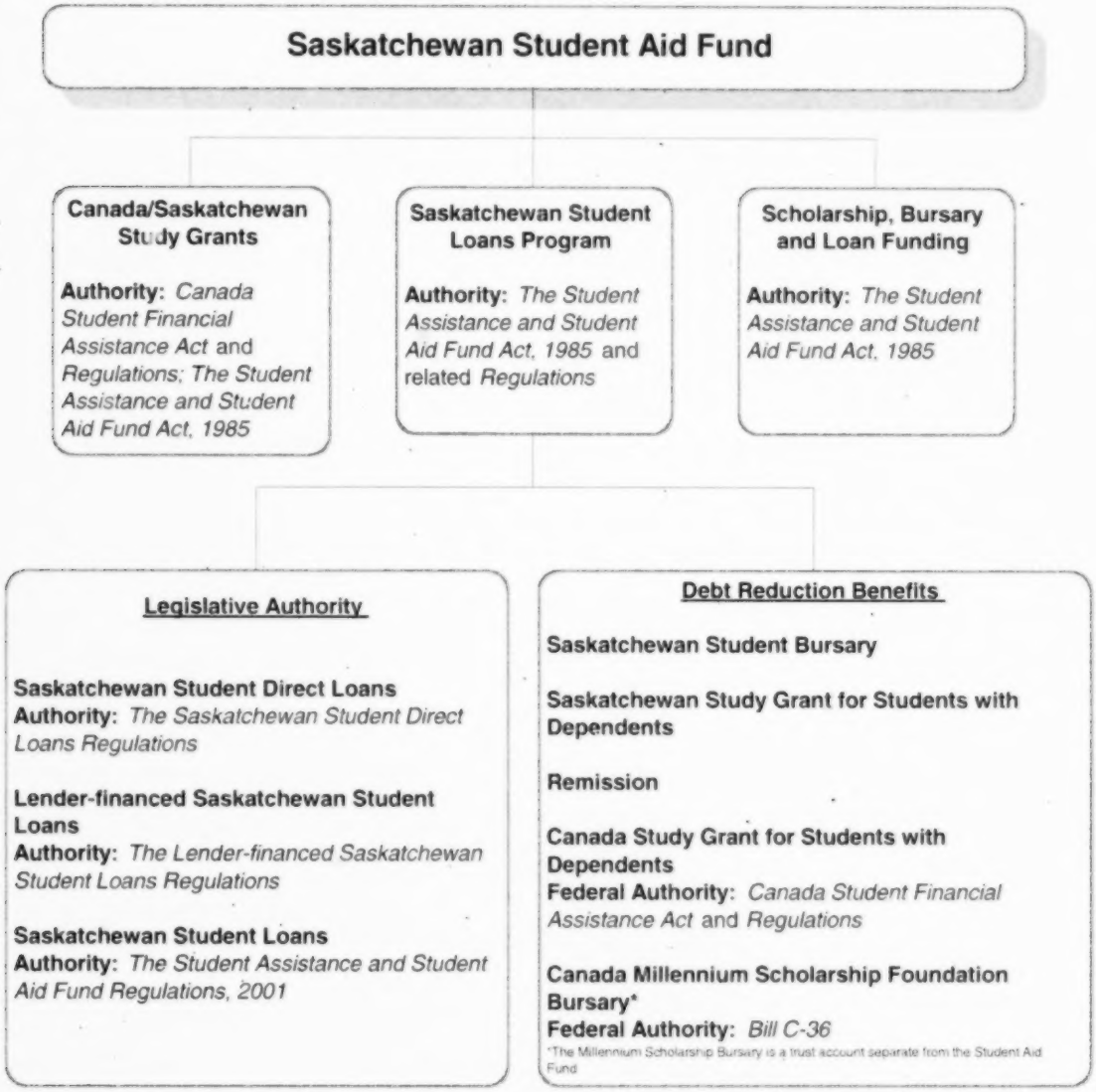
Highlighted below is a summary of awards provided through the Saskatchewan Student Financial Assistance Program to assist students in the pursuit of post-secondary education.

Table 1: Summary of Awards and Benefits Saskatchewan Student Assistance Program: 2005-06			
	Number of Awards	**Number of Students**	**Total Amount**
Full-time Loans			
Canada Student Loans Authorized	15,059	13,756	$79,525,365
Saskatchewan Student Loans Authorized	15,086	13,756	$54,576,377
Debt Reduction Benefits			
Saskatchewan Student Bursary	10,352	9,005	$16,215,122
Canada Study Grant for Students with Dependents	3,470	2,742	$4,103,154
Saskatchewan Study Grant for Students with Dependents	2,621	2,202	$4,808,586
Remission	1,213	766	$1,963,136
Canada Millennium Scholarship Foundation Bursary	2,846	2,846	$9,322,218
Debt Management Tools			
Interest Relief	n/a	4,107	$783,197
Debt Reduction in Repayment	35	35	$80,391
Permanent Disability Benefit	10	10	$34,968
Part-time Loans			
Canada Student Loans Authorized	91	89	$193,832
Canada/Saskatchewan Study Grants			
Accommodation of Students with Permanent Disabilities	337	286	$1,149,044
High Need Students with Permanent Disabilities	27	27	$21,339
High Need Part-time Students	56	54	$88,566
Part-time Students with Dependents	0	0	$0
Females Pursuing Doctoral Studies	7	6	$31,245
Canada Access Grants			
Access Grant for Students with Permanent Disabilities	506	506	$990,598
Access Grant for Students from Low Income Families	530	530	$1,160,855
Other Awards:			
Centennial Merit Scholarship	(Determined by institution)		$835,500
French Language - Federal/Provincial Awards	355	352	$301,550
Queen Elizabeth II Scholarship in Parliamentary Studies	2	2	$20,000
Queen Elizabeth II Centennial Aboriginal Scholarship	(Funding issued after March 31, 2006)		

The Saskatchewan Student Aid Fund

The Saskatchewan Student Aid Fund was created in 1949 by the Government of Saskatchewan to ensure that students would not be denied access to post-secondary education or training due to lack of financial resources. Since then, the Fund has assisted many thousands of individuals to attain their education and career goals.

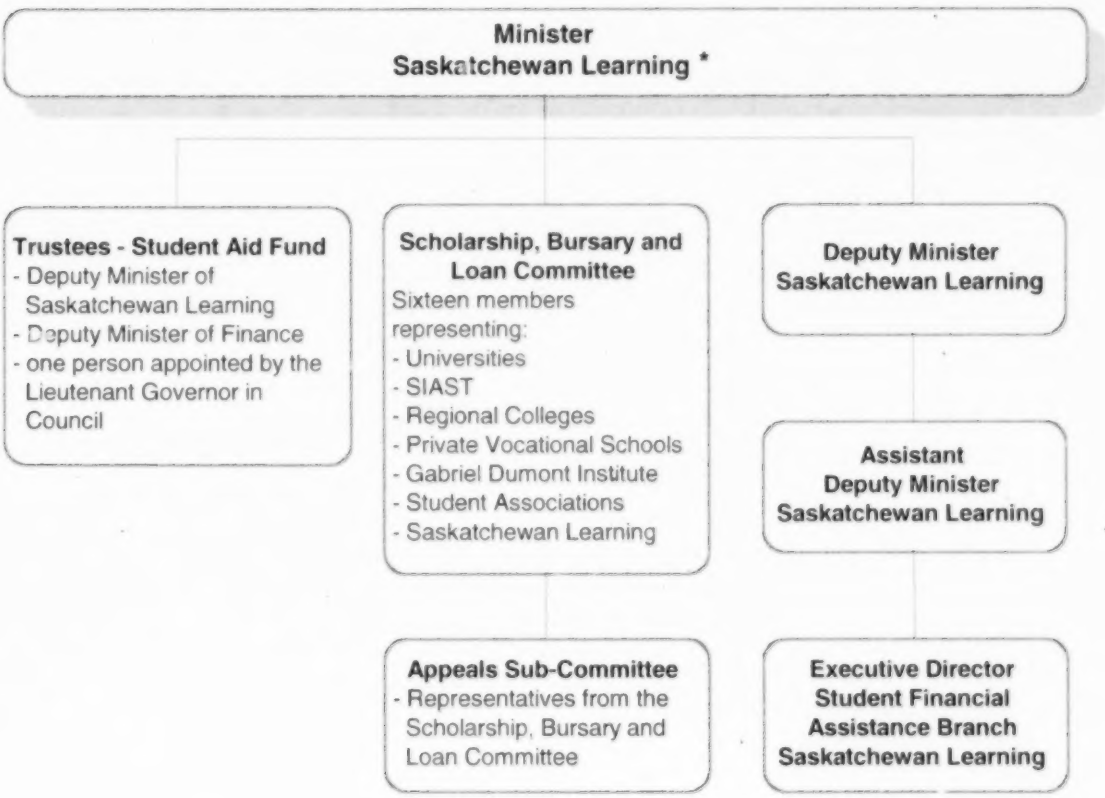
The following chart provides an overview of the programs administered through the Fund.


Saskatchewan Student Aid Fund
Canada/Saskatchewan Study Grants
Authority: Canada Student Financial Assistance Act and Regulations; The Student Assistance and Student Aid Fund Act, 1985
Saskatchewan Student Loans Program
Authority: The Student Assistance and Student Aid Fund Act, 1985 and related Regulations
Scholarship, Bursary and Loan Funding
Authority: The Student Assistance and Student Aid Fund Act, 1985
Legislative Authority
Saskatchewan Student Direct Loans
Authority: The Saskatchewan Student Direct Loans Regulations
Lender-financed Saskatchewan Student Loans
Authority: The Lender-financed Saskatchewan Student Loans Regulations
Saskatchewan Student Loans
Authority: The Student Assistance and Student Aid Fund Regulations, 2001
Debt Reduction Benefits
Saskatchewan Student Bursary
Saskatchewan Study Grant for Students with Dependents
Remission
Canada Study Grant for Students with Dependents
Federal Authority: Canada Student Financial Assistance Act and Regulations
Canada Millennium Scholarship Foundation Bursary*
Federal Authority: Bill C-36
*The Millennium Scholarship Bursary is a trust account separate from the Student Aid Fund

Organization and Administration

Authority for administration of the Saskatchewan Student Aid Fund is provided by *The Student Assistance and Student Aid Fund Act, 1985* and *Regulations*. This legislation calls for:

- Three trustees to administer the Fund;
- The Scholarship, Bursary and Loan Committee to make recommendations to the Minister; and,
- The Department over which the Minister presides to operate the Fund.



* Saskatchewan Advanced Education and Employment as at the commencement of the new fiscal year, April 1, 2006.

Trustees

The Trustees for the Saskatchewan Student Aid Fund were established in 1949 under *The Student Aid Fund Act*.

In 2005-06, the Trustees of the Student Aid Fund were:

- Bonnie Durnford, Deputy Minister, Saskatchewan Learning;
- Ron Styles, Deputy Minister, Saskatchewan Finance;
- Gillian McCreary, Assistant Deputy Minister, Saskatchewan Learning (July 22, 2003 to July 22, 2005); and
- Rob Cunningham, Assistant Deputy Minister, Saskatchewan Learning (September 8, 2005 to present).

The Trustees held one meeting on October 17, 2005 in which they:

- Reviewed the Fund's quarterly financial statements and activity reports and approved the Student Aid Fund operating budget for 2005-06;
- Reviewed Student Aid Fund Budget considerations for 2006-2007;
- Received an update on the policy considerations and activities of the Intergovernmental Consultative Committee on Student Financial Assistance (ICCSFA);
- Provided an update on a number of federal and provincial enhancements:
  - increased financial assistance through bursaries and loans;
  - reduced expected parental contributions;
  - introduced two new Access Grants for students from low-income families and students with permanent disabilities; and
  - improved debt management tools.
- Discussed expiration of service provider contracts for Canada-Saskatchewan Integrated Student Loans Program;
- Discussed the future impact of Canada Millennium Scholarship Foundation funding; and
- Discussed the progress of the Pan-Canadian Communications Initiative.

Scholarship, Bursary and Loan Committee

In 2005-06, the Committee held one face-to-face meeting, June 9, 2005; and one conference call on March 24, 2005 in which they:

- Reviewed and approved the 2005-06 Canada-Saskatchewan Integrated Student Loans Program Administrative Guidelines;
- Received an update on the Accessibility Review on post-secondary education;
- Discussed major changes implemented to the 2005-06 Canada-Saskatchewan Integrated Student Loan Application;
- Discussed the Appeals Sub-Committee process and the main issues that involve appeals;
- Discussed federal and provincial changes to the Student Financial Assistance Program for 2005-06;
- Reviewed loan assessment statistics; and
- Received a progress report on the implementation of the National Designation Policy Framework and Saskatchewan's Designation Policy;

Appeals Sub-Committee

The Appeals Sub-Committee consists of five members of the Scholarship, Bursary and Loan Committee. The Sub-Committee reviews cases where students applying for financial assistance may have extenuating circumstances that could affect their assessments.

Minister and the Department

Authority for the Minister to make awards under the Saskatchewan Student Assistance Program is provided by *The Student Assistance and Student Aid Fund Act, 1985* and *Regulations*.

The Saskatchewan Student Assistance Program administers federal and provincial loans, scholarships and award programs. The Student Financial Assistance Branch administers these programs on behalf of the Minister.

In 2005-06, major goals of Saskatchewan Learning were:

- Learner success;
- A seamless continuum of formal and informal learning opportunities;
- Inclusiveness for students; and
- Social and economic development.

The Student Financial Assistance Branch supported these goals through the delivery of its programs and services.

Branch Functions

The Student Financial Assistance Branch has a variety of units that assist in meeting Branch objectives and support the delivery of programs through the Student Aid Fund. These units include the Income Support and Advisory Unit; Debt Management and Financial Services Unit; Strategic Initiatives Unit; and the Support and Operational Services Unit.

The Income Support Unit is responsible for:

- Assessment, review, and verification of applications and notifications for:
  - Canada-Saskatchewan Integrated Student Loans for full-time students;
  - Canada Student Loans for part-time students;
  - Canada/Saskatchewan Study Grants; and
  - Canada Access Grants.
- Information and advisory services to students, their families, educational institutions and the general public. Over 63,000 telephone inquiries and 11,800 face-to-face inquiries on student loan issues were handled. Student Aid Consultants held over 60 information sessions across the province with approximately 4,000 individuals attending.

The Debt Management and Financial Services Unit is responsible for:

- Financial and managerial accounting services for the Student Aid Fund.
- Development of student loan repayment and collection policies in partnership with the federal government.
- Management and administration of debt reduction and debt management tools for student loans.
- Issuance of repayment documentation and collection of Saskatchewan Student Loans issued prior to August 1, 1996.
- Investigation and resolution of Interest-Free and Interest Relief issues with respect to Saskatchewan Student Loans.
- Administration of the Canada Millennium Scholarship Foundation Bursary and the Millennium Aboriginal Access Bursary.
- Administration of the Post-Secondary Graduate Tax Credit.
- Issuance of tax slips for student loan debt reduction measures, grants and interest payments on in-house student loans.
- Management of the assessment, financial, reporting and administration of information technology systems.
- Management of testing procedures, system control, system security, and system design, development and maintenance.

The Strategic Initiatives Unit is responsible for:

- Strategic policy direction for the Student Financial Assistance Branch including programs administered through the Student Aid Fund.
- Research and development of policy to support and improve the delivery of student financial assistance.
- Design and development of communication materials including student financial assistance program application materials and website. In 2005-06, there were over 1,000 inquiries from the website.
- Management of the Canada-Saskatchewan Integration Agreement for the Harmonization and Administration of Federal and Provincial Student Loans Programs through the Joint Management Committee and various working groups.
- Maintenance of legislation including Acts and Regulations governing student financial assistance programs.
- Administration of Saskatchewan's Designation Policy Framework by designating post-secondary institutions for

student loan eligibility and ensuring compliance with the National Designation Policy Framework for student financial assistance programs.

- Management information reporting and analysis to support program management and the strategic direction of student financial assistance.

The Support and Operational Services Unit is responsible for:

- Administrative support for the Student Financial Assistance Branch senior management.
- Support to the Scholarship, Bursary and Loan Committee and the Trustees of the Student Aid Fund.
- Preparation of third party contracts to deliver specific contract services.
- Management and administration of human resources activities.
- Maintenance of administrative and operational files.

Accomplishments Based on 2005-2006 Action Plan

The Student Financial Assistance Branch has achieved a number of accomplishments during this reporting year that demonstrate its commitment to high quality programs and services.

Key actions that were accomplished based on the 2005-2006 action plan were as follows:

- Developed and implemented the Saskatchewan Student Loan Designation Policy that aligns with the National Designation Policy Framework.
- Initiated the Summative Evaluation of the Canada-Saskatchewan Integrated Student Loans Programs.
- Supported the internal review of student financial assistance by examining accessibility and affordability of post-secondary education in Saskatchewan.
- Implemented the Post-Secondary Graduate Tax Credit increase to $675, representing a value of $6,136 in exempted income.
- Implemented program improvements to:
  - Expand the Saskatchewan Student Bursary to assist high need students by increasing non-repayable provincial assistance;
  - Reduce the expected parental contributions for dependent students;
  - Remove the provision that the permanent disability had to occur prior to the student entering repayment; and
  - Enhance the Interest Relief program by increasing the income eligibility tables by 5% to assist individuals having difficulty meeting their student loan repayment obligations.

Other Branch accomplishments include:

- Over 15,000 applications were approved, and over $134 million in student financial assistance was authorized.

- The Refund Set-Off Program, in partnership with the Canada Revenue Agency (CRA), recovered outstanding student loans from individuals' income tax refunds totalling $189,346 from student loans issued prior to August 1, 1996.

2006-2007 Action Plan

The accountability framework for the Canada-Saskatchewan Integrated Student Loans Program identifies three major goals. In 2006-07 the Student Financial Assistance Branch and Student Aid Fund will focus on these three goals:

- Reducing financial barriers and improving access to post-secondary education for students in financial need;

- Improving borrower satisfaction; and

- Improving service delivery for post-secondary students.

The Student Financial Assistance Branch will implement an action plan to support the goals identified. Specific actions will include:

- Joint management of the Summative Evaluation of the Canada-Saskatchewan Integrated Student Loans Program.

- Continue to develop an on-line application capacity and processing of applications for the Canada-Saskatchewan Integrated Student Loans Program.

- Continue to implement the Saskatchewan Student Loan Designation Policy by working with educational institutions to improve performance and increase student success.

- Support an external review of student financial assistance that will examine accessibility and affordability of post-secondary education in Saskatchewan.

- Increase awareness of student financial assistance programs provided through the Student Aid Fund.

- Implement the Post-Secondary Graduate Tax Credit increase to $850, representing a value of $7,700 in exempted income.

Canada-Saskatchewan Integrated Agreement for the Harmonization and Administration of Federal and Provincial Student Loan Programs

The Saskatchewan Student Loan program has evolved over the years with the goal of continuing to improve financial accessibility for Saskatchewan students. Throughout this process, many changes have been implemented to aid in assessment, approval, and repayment of student loans.

All full-time Saskatchewan student loans issued as of August 1, 2001 are Canada-Saskatchewan Integrated Student Loans. Integrated loans in Saskatchewan are fully funded by the federal government and the Saskatchewan government. Integrated loans have "one student, one loan" as the concept. This means that a student receives one loan document that includes both federal and provincial assistance.

The main goal of the Canada-Saskatchewan Integration Agreement for the Harmonization and Administration of Federal and Provincial Student Loans Programs is to simplify the student loan process for students.

Integration Agreement Achievements in 2005-2006 included:

- The Joint Management Committee met to discuss the progress and future direction of the Integration Agreement.
- On-going discussions through seven working groups including Policy, Integrated Interest Relief, Operations, Collections, Communications, Evaluation and Performance Measures, and Financial Audit and Review.
- Development of reporting and control mechanisms for collections activity.
- Development of joint communication materials.
- Enhancements to Service Providers on-line borrower services.
- Continued implementation of enhancements to Integrated Interest Relief.
- Simplification and integration of loan agreements resulting in a combined Certificate of Eligibility (Schedule 1) Canada Student Loan and Saskatchewan Student Loan Agreement and Schedule 2 Interest-Free Certificate (Confirmation of Enrolment).
- Development of a joint accountability framework to monitor, measure and report on outcomes of the Canada-Saskatchewan Integrated Student Loans Program.
- Establishment of an evaluation framework and awarding of the contract for the summative evaluation for the Canada-Saskatchewan Integrated Student Loans Program.

Saskatchewan Student Assistance Programs

Full-time Student Loans

Financial assistance for full-time post-secondary students is provided through the Canada-Saskatchewan Integrated Student Loans Program.

Eligibility for Assistance

The Student Financial Assistance Branch uses federal criteria to determine an applicant's eligibility for student loans. To qualify for a student loan, the student must:

- Be a Canadian citizen, permanent resident, or designated protected person;
- Be a Saskatchewan resident according to program criteria;
- Be enrolled as a full-time student;
- Be enrolled in a program of study that is at least 12 weeks in duration and leads to a degree, diploma or certificate;
- Be attending a designated institution;
- Be in financial need according to student loan program guidelines;
- Not be in default on a previous student loan;
- Maintain a satisfactory scholastic standing;
- Be receiving assistance for less than 340 weeks of study; and
- Complete the program within the number of periods of study normally specified by the school for completion of that program, plus one additional period.

Assessing Applications

The Student Financial Assistance Branch assesses all applications to determine financial need. The applicant's financial need for assistance is calculated by subtracting the contributions expected from the student and the student's family from the educational and living costs allowed under the program.

In Saskatchewan, assistance is authorized to a student initially in the form of a Canada-Saskatchewan Integrated Student Loan. The Student Financial Assistance Branch issues a loan certificate to the student. Upon completion of the student's period of study, the student may be eligible for a number of debt reduction benefits.

In 2005-06, there were just over 15,000 applications approved and over $134 million in Canada-Saskatchewan Integrated Student Loans authorized. Of the $134 million, $79,525,365 was in federal loans and $54,576,377 was in provincial loans.

The graph below illustrates the number of Canada and Saskatchewan Full-time Student Loans authorized to assist students in their pursuit of post-secondary education.

Graph 1: Number of Authorized Loans from 2001-02 to 2005-06

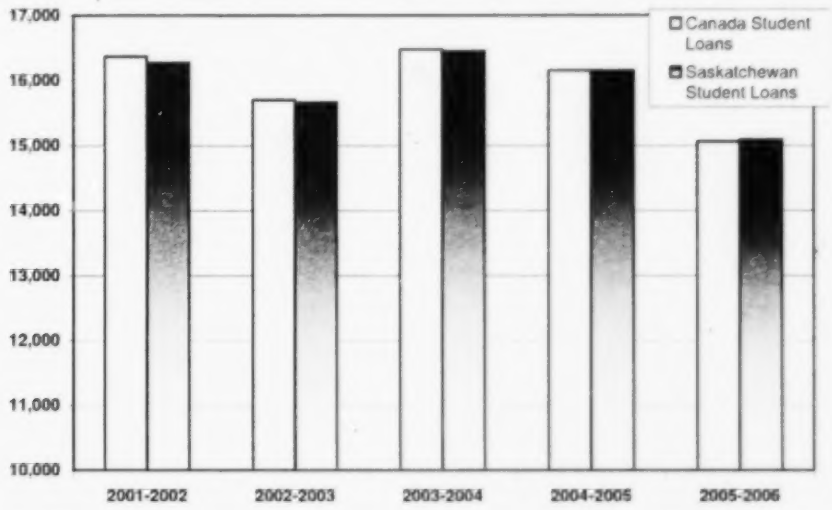


Table 2 below indicates the maximum loan assistance and benefits available for full-time study.

Table 2: Maximum Loan Assistance and Benefits Available To Students in 2005-06

Student Group	Maximum Assistance Available	Maximum Grants & Bursaries	Repayable
Students With Dependents	$415 per week of study	$205 per week of study	$210 per week of study
Students Without Dependents	$320 per week of study	$110 per week of study	$210 per week of study
Medical Students With Dependents	$700 per week of study	$205 per week of study	$495 per week of study
Medical Students Without Dependents	$575 per week of study	$110 per week of study	$465 per week of study

Appeals and Reviews

An appeal of assessment results may be requested by a student if additional assistance is required due to unavoidable situations or exceptional circumstances during the pre-study and/or study period. A review or reassessment may be undertaken when there is a change in the information provided on the application.

The Appeals Sub-Committee, consisting of members of the Scholarship, Bursary and Loan Committee, is formed each year to review appeals. The Appeals Sub-Committee reviewed three appeals in 2005-06. One of the three cases was approved and two cases were denied additional assistance during this reporting period.

Interest-Free Status

The federal and provincial governments pay the interest on student loans while the student is attending school full-time. The student is responsible for the interest on student loans from the first day of the first month after the student ceases full-time study.

The student is not responsible for interest that accrues on student loans between academic periods if the break is six months or less, and appropriate documentation is submitted.

Students who are attending school, but are not receiving financial assistance, may keep any federal and provincial student loans in interest-free status during their academic periods by submitting appropriate documentation.

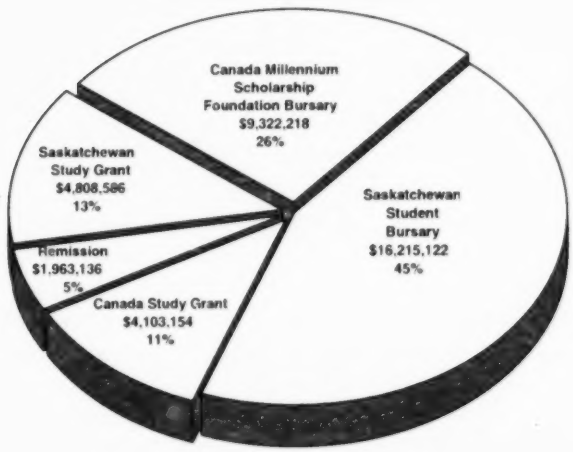
Debt Reduction Benefits

The purpose of debt reduction benefits is to help reduce the amount of loan the student will have to repay. The debt reduction benefits provided by the Student Financial Assistance Branch include the Saskatchewan Student Bursary, Canada Millennium Scholarship Foundation Bursary, Canada and Saskatchewan Study Grants for Students with Dependents and Remission. With the exception of Remission for Special Incentive Students, which must be applied for separately, all debt reduction benefits are automatically applied against the student's loan following the study period.

The benefit amount is applied first against the student's Saskatchewan loan debt and, in some cases where funds remain, it is applied to the federal loan debt. In Saskatchewan, over $36 million in debt reduction benefits were issued during this reporting period.

The Saskatchewan Student Bursary is available to all students with loan assistance exceeding $210 per week of study for the first 170 weeks of post-secondary study. In 2005-06, there were 10,352 bursaries awarded totalling $16,215,122.

Graph 2: 2005-06 Debt Reduction Benefits Totalling $36 Million (Proportion of Total Dollars Paid)



The *Canada Millennium Scholarship Foundation Bursary* provides between $2,000 and $4,000 annually, with a lifetime maximum of $22,500. The bursary is available to students in second and higher years of post-secondary studies, excluding graduate studies. In most cases, students will receive either the Saskatchewan Student Bursary or the Canada Millennium Scholarship Foundation Bursary. In 2005-06, there were 2,846 awards totalling $9,322,218.

The Canada and Saskatchewan Study Grants are available to students with dependent children, with loan assistance exceeding $275 per week of study. In 2005-06, there were 3,470 Canada Study Grants for Students with Dependents awarded in the amount of $4,103,154 and 2,621 Saskatchewan Study Grants for Students with Dependents awarded in the amount of $4,808,586.

Remission was available to Special Incentive Students to reduce their debt for the first 60 weeks of study up until the end of the 2004-05 loan year. In 2005-06, there were 1,213 remission awards in the amount of $1,963,136. Remission was phased out in the 2004-05 loan year and is longer available.

Repayment of Student Loans

Students with Canada-Saskatchewan Integrated Student Loans make payment arrangements with the National Student Loans Service Centre. Students with loans issued prior to August 2001 must make arrangements with lenders holding their loans to repay their Canada and Saskatchewan student loans.

Options are available to students who are unable to meet the repayment terms of their loan agreements. Repayment terms may be revised or interest and repayment relief may be provided through debt management tools.

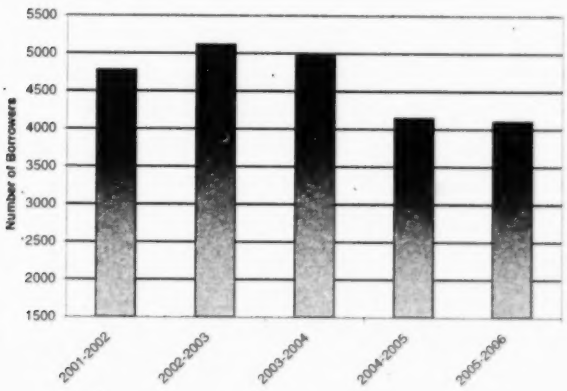
Debt Management Tools

Debt management tools assist borrowers with the repayment of their loans. When the borrower is unable to meet the repayment terms, there are a variety of debt management tools available. The debt management tools include Interest Relief, Extended Interest Relief, Debt Reduction in Repayment and the Permanent Disability Benefit.

Interest Relief provides repayment deferral for a maximum of 30 months to borrowers who are having difficulty making their payments due to low income. After exhausting 30 months of Interest Relief and lowering the payments by re-amortizing the loan over 15 years, the borrower may be eligible for *Extended Interest Relief* for up to 24 months.

In 2005-06, Interest Relief benefits totalling $783,197 were provided to 4,107 borrowers.

Graph 3:
Number of Borrowers on Interest Relief from 2001-02 to 2005-06



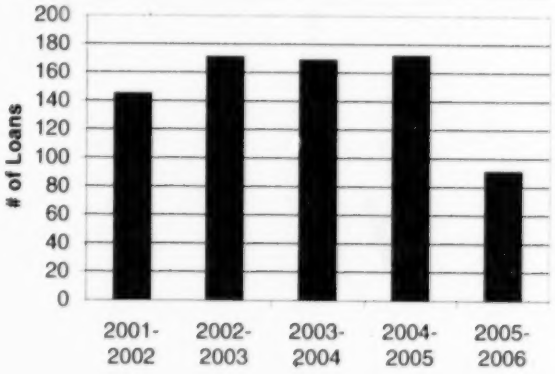
Debt Reduction in Repayment is available to individuals who remain in financial difficulty after receiving Interest Relief and Extended Interest Relief. The Canada loan principal may be reduced by up to $26,000 and the Saskatchewan loan principal may be reduced by $3,000. In 2005-06, a total of $80,391 was paid in reductions to Saskatchewan loan principal to 35 individuals.

Permanent Disability Benefit is available to students who become disabled while in school or after completing their studies. Students who are experiencing undue hardship may qualify for full forgiveness of their student loans. In 2005-06, 10 students received benefits totalling $34,968.

Part-time Canada Student Loans

The Canada Student Loans Program provides interest-bearing loans to part-time students who require assistance to pay for educational expenses such as tuition, books, instruments, transportation, childcare and miscellaneous expenses. The maximum amount of outstanding loan principal allowed is $4,000.

Graph 4:
Part-time Canada Student Loans from 2001-02 to 2005-06



Students must begin making their interest payments on the loan 30 days after receiving the funds. Payments on principal begin after the period of study.

In 2005-06, a total of 91 awards of $193,832 in Part-time Canada Student Loans were authorized.

Assistance for Students with Permanent Disabilities

Provisions for Students with Permanent Disabilities

There are a number of provisions for students with permanent disabilities in both the full and part-time student loans programs.

The provisions in the Canada-Saskatchewan Integrated Student Loans Program are:

- Students may take between 40% and 59% of a full course load and still be considered a full-time student;
- The satisfactory scholastic standing is defined as successful completion of 40% of a full course load;
- The "normal period of study plus one" limit, which allows students only one additional period of study over the normal length of time a program takes to complete, does not apply; and
- The lifetime limit is 520 weeks of study.

The Part-time Canada Student Loans Program allows students with disabilities to be eligible for assistance when taking between 20% and 39% of a full course load.

To qualify as a student with a permanent disability, the student must:

- have a disability of a permanent nature which limits physical or mental ability to perform the daily activities necessary to participate fully in post-secondary studies or in the labour force; and,
- be able to provide proof of the disability along with a completed student loan application.

Canada/Saskatchewan Study Grants and Canada Access Grants

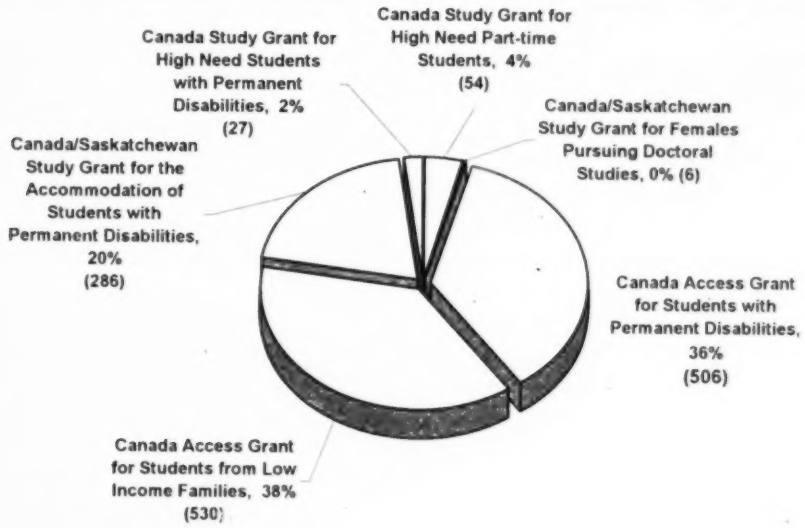
There are five Canada/Saskatchewan Study Grants:

- Canada/Saskatchewan Study Grant for the Accommodation of Students with Permanent Disabilities;
- Canada Study Grant for High Need Students with Permanent Disabilities;
- Canada/Saskatchewan Study Grant for High Need Part-time Students;
- Canada Study Grant for Part-time Students with Dependents; and
- Canada/Saskatchewan Study Grant for Females Pursuing Doctoral Studies.

In the 2005-06 loan year, two new grants were introduced - the Canada Access Grant for Students with Permanent Disabilities and the Canada Access Grant for Students from Low Income Families. The Canada Access Grant for Students with Permanent Disabilities replaced the Canada Study Grant for High Need Students with Permanent Disabilities.

In 2005-06, 427 Canada and/or Saskatchewan Study Grants were awarded in the amount of $1,290,194 and 1,036 Canada Access Grants were awarded in the amount of $2,151,453. The following graph portrays the distribution of students within each of the five study grant categories.

Graph 5: Students Receiving Canada/Saskatchewan Study Grants and Canada Access Grants in 2005-06


Canada Study Grant for High Need Part-time Students, 4% (54)
Canada Study Grant for High Need Students with Permanent Disabilities, 2% (27)
Canada/Saskatchewan Study Grant for Females Pursuing Doctoral Studies, 0% (6)
Canada/Saskatchewan Study Grant for the Accommodation of Students with Permanent Disabilities, 20% (286)
Canada Access Grant for Students with Permanent Disabilities, 36% (506)
Canada Access Grant for Students from Low Income Families, 38% (530)

Canada/Saskatchewan Study Grant for the Accommodation of Students with Permanent Disabilities

This grant provides a maximum of $10,000 per year ($8,000 federal and $2,000 provincial) to Saskatchewan students to cover exceptional expenses directly related to the student's permanent disability.

To be eligible, a student must:

- have a permanent disability and provide proof of the permanent disability;
- be enrolled in post-secondary studies at a designated institution full or part-time; and
- must meet all other student loan eligibility criteria.

In 2005-06, 337 Canada/Saskatchewan Study Grants for the Accommodation of Students with Permanent Disabilities awards were issued in the amount of $1,149,044.

Canada Study Grant for High Need Students with Permanent Disabilities

This program provides grants of up to $2,000 per loan year to full-time or part-time students with permanent disabilities who have demonstrated need in excess of the maximum levels of student loan assistance. This program has been replaced with the Canada Access Grant for Students with Permanent Disabilities.

In 2005-06, 27 awards were issued in the amount of $21,339.

Canada/Saskatchewan Study Grant for High Need Part-time Students

This grant provides for direct educational costs up to a maximum of $2,000 per year ($1,200 federal and $800 provincial) to high need students who are enrolled in part-time studies because they are unable to carry 60% of a full course load for one or more of the following documented reasons:

- They are a single parent responsible for the primary care of dependent children who are living with the student full-time during the period of study;
- They are responsible for the primary physical and financial care of elderly dependent(s) and/or dependent(s) with a permanent disability requiring supervised care;
- They are a mature student restricted to conditional studies by their school (e.g. maximum 2 courses); or
- They are permanently disabled and are unable to undertake the required course load.

In 2005-06, 56 grants in the amount of $88,566 were awarded to high need part-time students.

Canada Study Grant for Part-time Students with Dependents

This grant is for students who are eligible for a Part-time Canada Student Loan and who have dependents. The grant provides a maximum of $40 per week of study for students with one or two children or a maximum of $60 per week of study for students with three or more children.

In 2005-06 there were no grants awarded to part-time students with dependents.

Canada/Saskatchewan Study Grant for Females Pursuing Doctoral Studies

The Canada/Saskatchewan Study Grant for Females Pursuing Doctoral Studies provides a maximum of $5,000 per year ($3,000 federal and $2,000 provincial) to female doctoral students studying full-time in non-traditional fields of study. In 2005-06, 7 awards were issued in the amount of $31,245.

Canada Access Grant for Students with Permanent Disabilities

The Canada Access Grant for Students with Permanent Disabilities replaces the Canada Study Grant for High Need Students with Permanent Disabilities. This grant provides up to $2,000 per loan year to full-time or part-time students with permanent disabilities who have demonstrated financial need. To be eligible the student must:

- Meet student loan eligibility criteria; and
- Be approved for permanent disability status.

Students will be automatically considered for this grant when applying for student loan assistance. In 2005-06 there were 506 awards issued in the amount of $990,598.

Canada Access Grant for Students from Low Income Families

The Canada Access Grant for Students from Low Income Families provides grants for 50% of the student's tuition up to $3,000 to full-time students who have demonstrated financial need and have fulfilled the following criteria:

- Be enrolled for the first time in post-secondary education in their first year in a program of studies of at least two years that leads to a degree, diploma or certificate;
- Be pursuing post-secondary education within four years of leaving secondary school; and
- Have parental income that falls within the range of entitlement to the National Child Benefit Supplement in the previous tax year.

In 2005-06, 530 awards were issued in the amount of $1,160,855 for Students from Low Income Families.

Other Awards Administered through the Student Aid Fund

Federal Awards

The Saskatchewan Student Aid Fund is reimbursed by the federal government for these following awards:

Table 3: French Minority Language Travel Bursary and Fellowship Bursary in 2005-06			
Award	**Description of Award**	**Number of Awards**	**Total Amount Paid**
French Minority Language Travel Bursary	These bursaries are intended to enable French minority language students, who cannot pursue their post-secondary studies in their own language in Saskatchewan, to study elsewhere in Canada. The bursary includes the cost of one economy round trip per semester of full-time studies from the student's place of residence to the post-secondary institution chosen.	62	$42,600
French Fellowship/ Bursaries for French Language Bachelor of Education Students	These fellowships/bursaries provide Anglophone post-secondary students with an opportunity for immersion in a French milieu and encourage Francophones to pursue their post-secondary studies in French, in disciplines that are not offered within Saskatchewan.	290	$258,950

The French Fellowship/Bursaries for French Language Bachelor of Education Students:

- Fellowships, to a maximum of $1,000 per semester, available to students registered in approved programs in French at a Saskatchewan university or outside Saskatchewan if the programs are not available in French in the province.
- Bursaries, to a maximum of $2,000 per semester, available to students enrolled in:
  - the medicine program for Francophone's in a Francophone or bilingual Canadian post-secondary institution;
  - the French Language Bachelor of Education Program at the University of Regina; or
  - the Bachelor of Education After Degree (BEAD) program at the University of Regina.

Scholarships

A variety of other awards for post-secondary students are funded through the Saskatchewan Student Aid Fund.

Table 4: Scholarships in 2005-06

Name of Scholarship	Description	Recipients
Centennial Merit Scholarship	This scholarship targets top students from Saskatchewan high schools and enhances the ability of institutions to attract and retain high-calibre students. The funding is paid to institutions responsible for its administration. Saskatchewan Learning provided an additional $500,000 funding for the Centennial Merit Scholarship Program in 2005-06, increasing program funding to $1,000,000. Distribution of Funding is as follows: $270,000 for the University of Regina, $430,000 for the University of Saskatchewan, $225,000 for Saskatchewan Institute of Applied Science & Technology (SIAST), $50,000 for Regional Colleges, and $25,000 for Apprenticeships.	Determined by the institutions.
Queen Elizabeth II Scholarship in Parliamentary Studies	This scholarship in the amount of $20,000 is awarded annually for graduate or post-graduate study of Saskatchewan politics and government at either of Saskatchewan's universities. The scholarship is intended to encourage advanced study and research in Saskatchewan government and politics and thereby strengthen parliamentary institutions in the province.	2
Queen Elizabeth II Centennial Aboriginal Scholarship	This scholarship in the amount of $20,000 is awarded annually, beginning in 2006, to First Nations/Métis students graduating from the First Nations University of Canada (FNUC) who are pursuing graduate studies in any field at any accredited university in Saskatchewan. The intent of the award is to focus on the accomplishments of graduates of the First Nations University of Canada and encourage further scholarship programs associated with FNUC. * Scholarships were awarded after March 31, 2006.	0*
D.R. Simmons Memorial Scholarships	There are two scholarships of $500 available annually to graduating Grade 12 Saskatchewan students of First Nations or Métis ancestry who are continuing studies at the post-secondary level.	2
James Dickson Scholarship	This $500 scholarship is available annually to a graduating Grade 12 Saskatchewan student of black ancestry. If no award is made during one year, two awards may be made during the following year.	1
Doreen Kronick Matching Scholarship	This $500 scholarship is available in Canada each year to recognize the scholastic achievement of a full or part-time graduate student studying in an area that will enable the student to help individuals with learning disabilities. The department will award an additional $500 if the recipient is a Saskatchewan resident attending a Saskatchewan university.	0

Statistical Summary of Saskatchewan Student Assistance Program Activity

Full-time Loans

Table 5
Canada Student Loans

Fiscal Year	Number of Awards	Amount Authorized*
2005-2006	15,059	$79,525,365
2004-2005	16,150	$71,322,970
2003-2004	16,474	$71,861,183
2002-2003	15,702	$68,830,806
2001-2002	16,366	$72,101,006

*Authorized Loans are loans that are approved for courses starting within the fiscal year indicated, whether or not the monies were paid out in that fiscal year.

Table 6
Saskatchewan Student Loans

Fiscal Year	Number of Awards	Amount Authorized*
2005-2006	15,086	$54,576,377
2004-2005	16,151	$60,011,226
2003-2004	16,449	$59,731,633
2002-2003	15,663	$56,586,020
2001-2002	16,271	$59,258,709

*Authorized Loans are loans that are approved for courses starting within the fiscal year indicated, whether or not the monies were paid out in that fiscal year.

Debt Reduction Benefits

Table 7
Saskatchewan Student Bursary

Fiscal Year	Number of Awards	Amount Paid
2005-2006	10,352	$16,215,122
2004-2005	8,710	$14,417,176
2003-2004	9,575	$14,100,176
2002-2003	9,888	$20,192,917
2001-2002	9,703	$19,018,159

Table 8
Canada Study Grants for Student with Dependents

Fiscal Year	Number of Awards	Amount Paid
2005-2006	3,470	$4,103,154
2004-2005	3,064	$3,912,611
2003-2004	3,446	$4,018,728
2002-2003	3,036	$4,210,762
2001-2002	3,000	$4,139,584

Table 9
Saskatchewan Study Grants for Students with Dependents

Fiscal Year	Number of Awards	Amount Paid
2005-2006	2,621	$4,808,586
2004-2005	1,919	$3,815,874
2003-2004	2,165	$3,815,698
2002-2003	2,023	$3,970,118
2001-2002	1,955	$3,855,976

Table 10
Remission Approvals on Saskatchewan Student Loans

Fiscal Year	Number of Awards	Amount Approved
2005-2006	1,213	$1,963,136
2004-2005	70	$157,440
2003-2004*	1,191	$2,784,345
2002-2003*	282	$581,499
2001-2002*	867	$1,857,041

*The benefit is applied first against the Saskatchewan loan debt, and in cases where funds remain, is applied to the Canada loan debt

Table 11
Loan Forgiveness Approvals on Saskatchewan Student Loans

Fiscal Year	Number of Awards	Amount Approved
2005-2006	0	$0
2004-2005	4	$4,871
2003-2004	25	$102,244
2002-2003*	19	$67,980
2001-2002*	52	$195,496

*Approvals for courses starting prior to August 1, 1998

Debt Reduction Benefits continued

Table 12 Canada Millennium Scholarship Foundation Bursary		
Fiscal Year	*Number of Awards*	*Amount Paid*
2005-2006	2,846	$9,322,218
2004-2005	3,333	$9,303,500
2003-2004	2,998	$9,298,500
2002-2003	3,507	$9,793,000
2001-2002	3,616	$9,778,500

Debt Management Tools

Table 13 Interest Relief		
Fiscal Year	*Number of Awards*	*Total Amount Awarded*
2005-2006	4,107	$783,197
2004-2005	4,149	$661,539
2003-2004	4,975	$685,399
2002-2003	5,121	$651,033
2001-2002	4,784	$568,000

Table 14 Debt Reduction in Repayment		
Fiscal Year	*Number of Awards*	*Total Amount Awarded*
2005-2006	35	$80,391
2004-2005	23	$55,150
2003-2004	9	$25,404
2002-2003	7	$11,057

Table 15 Permanent Disability Benefit		
Fiscal Year	*Number of Awards*	*Total Amount Awarded*
2005-2006	10	$34,968
2004-2005	16	$47,487
2003-2004	26	$146,302
2002-2003	6	$40,460
2001-2002*	96	$723,514

*The Permanent Disability Benefit was introduced in 2001-02.

Part-time Loans

Table 16 Part-time Canada Student Loans Program		
Fiscal Year	*Number of Awards*	*Amount Authorized*
2005-2006	91	$193,832
2004-2005	172	$369,165
2003-2004	169	$265,285
2002-2003	171	$351,497
2001-2002	145	$218,995

Canada/Saskatchewan Study Grants

Table 17
Canada/Saskatchewan Study Grant for the Accommodation of Students with Permanent Disabilities

Fiscal Year	*Number of Awards*	*Amount Paid*
2005-2006	337	$1,149,044
2004-2005	326	$1,366,827
2003-2004	232	$1,019,956
2002-2003	206	$837,260
2001-2002	212	$798,555

Table 18
Canada Study Grant for High Need Students with Permanent Disabilities*

Fiscal Year	*Number of Awards*	*Amount Paid*
2005-2006	27	$21,339
2004-2005	244	$380,368
2003-2004	154	$249,449
2002-2003	79	$117,088

*The Canada Study Grant program for High Need Students with Permanent Disabilities was introduced in 2002-03 and replaced in 2005-06 with the Canada Access Grant for Students with Permanent Disabilities.

Table 19
Canada Study Grant for Part-time Students with Dependents

Fiscal Year	*Number of Awards*	*Amount Paid*
2005-2006	0	0
2004-2005	10	$14,624
2003-2004	13	$19,476
2002-2003	4	$4,598

Table 20
Canada Study Grant for High Need Part-time Students

Fiscal Year	*Number of Awards*	*Amount Paid*
2005-2006	56	$88,566
2004-2005	114	$193,381
2003-2004	119	$208,215
2002-2003	160	$273,891
2001-2002	296	$447,196

Table 21
Canada/Saskatchewan Study Grant for Females Pursuing Doctoral Studies

Fiscal Year	*Number of Awards*	*Amount Paid*
2005-2006	7	$31,245
2004-2005	8	$32,895
2003-2004	6	$32,846
2002-2003	6	$29,869
2001-2002	8	$33,044

Canada Access Grants

Table 22
Canada Access Grant for Students with Permanent Disabilities

Fiscal Year	*Number of Awards*	*Amount Paid*
2005-2006*	506	$990,598

*The Canada Access Grant for Students with Permanent Disabilities was introduced for the 2005-06 loan year and has replaced the Canada Study Grant for High Need Students with Permanent Disabilities.

Table 23
Canada Access Grant for Students from Low Income Families

Fiscal Year	*Number of Awards*	*Amount Paid*
2005-2006*	530	$1,160,855

*The Canada Access Grant for Students from Low Income Families was introduced in the 2005-06 loan year.

Other Awards

Table 24 Other Awards			
Award	**Fiscal Year**	**Number of Awards**	**Amount Paid**
Centennial Merit Scholarship	2005-2006	Determined by institution	$835,500
	2004-2005		$503,000
	2003-2004		$499,500
	2002-2003		$500,000
	2001-2002		$505,675
Federal French Language Awards	2005-2006	355	$301,550
	2004-2005	329	$293,350
	2003-2004	276	$198,550
	2002-2003	284	$189,650
	2001-2002	280	$183,050
Queen Elizabeth II Scholarship in Parliamentary Studies	2005-2006	2	$20,000
	2004-2005	1	$10,000
	2003-2004	1	$10,000
	2002-2003	1	$10,000
	2001-2002	0	$0

Loan Receivables and Repayments

Table 25 Total Amount of Saskatchewan Student Aid Fund Loans Receivable As at March 31, of Each Fiscal Year*	
Fiscal Year	***Amount***
2005-2006	$81,075,959
2004-2005	$72,677 333
2003-2004	$56,445,339
2002-2003	$40,115,216
2001-2002	$25,540,153

Table 26 Saskatchewan Student Loan Repayments Received by the Saskatchewan Student Aid Fund*	
Fiscal Year	***Amount Paid***
2005-2006	$11,034,405
2004-2005	$7,299,464
2003-2004	$4,623,077
2002-2003	$2,725,275
2001-2002	$2,170,337

Table 27 Balance of Loans at the Royal Bank of Canada that have not entered Repayment**	
Fiscal Year	***Loan Balance***
2005-2006	$6,193,454
2004-2005	$11,215,814
2003-2004	$17,007,553
2002-2003	$26,361,364
2001-2002	$42,992,375

* *Lender-financed Saskatchewan Student Loans for courses starting August 1, 1996 to July 31, 2001 were negotiated and repaid to the Royal Bank under the Saskatchewan Student Loan Assignment Agreement. Effective August 1, 2001, the province became the direct lender of Saskatchewan Student Loans.*

** *Lender-financed Saskatchewan Student Loans for courses starting August 1, 1996 to July 31, 2001 were negotiated and repaid to the Royal Bank under the Saskatchewan Student Loan Assignment Agreement.*

Management's Responsibility for Financial Statements

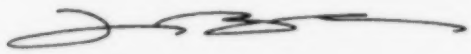
The accompanying financial statements are the responsibility of the management of the Student Financial Assistance Branch, Department of Learning. They have been prepared in accordance with generally accepted accounting principles, using management's best estimates and judgements where applicable.

Management is responsible for the reliability and integrity of the financial statements, the notes to the financial statements, and other financial information contained in this report. Management is also responsible for maintaining a system of internal controls, policies and procedures designed to provide reasonable assurance that assets are safeguarded and that accounting systems provide timely, accurate and reliable financial information.

The Trustees of the Student Aid Fund are responsible for ensuring that management fulfills its responsibilities for financial reporting, internal control and administering the fund in accordance with *The Student Assistance and Student Aid Fund Act* and Regulations. The Trustees meet periodically with management to satisfy themselves that management's responsibilities are properly discharged and to review the financial statements.

The Provincial Auditor of Saskatchewan has audited the financial statements of the Student Aid Fund in accordance with Canadian generally accepted auditing standards and his report follows.

Regina, Saskatchewan
July 28, 2006



Tammy Bloor Cavers
Executive Director
Student Financial Assistance Branch
Saskatchewan Advanced Education and Employment

Provincial Auditor Saskatchewan

1500 Chateau Tower
1920 Broad Street
Regina, Saskatchewan
S4P 3V2

SASKATCHEWAN

Phone: (306) 787-6398
Fax: (306) 787-6383
Web site: www.auditor.sk.ca
Internet e-mail: info@auditor.sk.ca

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Saskatchewan Student Aid Fund as at March 31, 2006 and the statements of revenue, expenses and net financial assets, and cash flows for the year then ended. The Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
May 24, 2006

Fred Wendel, CMA, CA
Provincial Auditor

Saskatchewan Student Aid Fund
Statement of Financial Position
As at March 31

	2006	2005
Financial Assets	(thousands of dollars)	
Financial Assets:		
Due from General Revenue Fund (Note 7)	$ 31,854	$ 44,562
Accrued Interest	204	129
Other Receivables	1,434	1,028
Student Loans Receivable (Note 4)	81,076	72,677
Total Financial Assets	$ 114,568	$ 118,396
Liabilities and Net Financial Assets		
Liabilities:		
General Revenue Fund Interest Payable	$ 864	$ 802
General Revenue Fund Loan (Note 8)	103,421	97,420
Due to Royal Bank of Canada (Note 5)	2,747	3,415
Bursaries and Study Grants Payable (Note 6)	24	1,102
Deferred Revenue - Canada Study Grant	1,269	417
Other Accounts Payable	299	230
Total Liabilities	$ 108,624	$ 103,386
Net Financial Assets (Statement 2)	5,944	15,010
	$ 114,568	$ 118,396

(See accompanying notes to financial statements)

Saskatchewan Student Aid Fund
Statement of Revenue, Expense and Net Financial Assets
For the Year Ended March 31

	Budget	Actual 2006	Actual 2005
		(thousands of dollars)	
Revenue:			
Appropriation from the General Revenue Fund	$ 33,716	$ 16,858	$ 32,216
Grant - Federal Canada Study	6,271	4,896	5,777
Interest Payments from General Revenue Fund	625	924	646
Interest on Student Loans	4,100	4,241	2,985
Loan Discount Amortization	3,200	3,223	3,213
Recovery of Bad Debt	275	295	335
Other Income	350	346	342
	48,537	30,783	45,514
Expense:			
Loan Forgiveness Grants	$ -	$ -	$ (1,096)
Saskatchewan Student Bursaries	20,552	18,962	14,697
Saskatchewan Study Grants	5,003	3,131	4,719
Canada Study Grants - Students with Dependents	4,871	3,679	3,910
Federal Canada Study Grants - Other	1,400	1,217	1,866
Provincial Canada Study Grants - Other	200	73	121
Special Incentive Loan Remissions	-	(1,353)	(1,118)
Risk Premium	-	(203)	(214)
Loan Guarantee	-	5	(16)
Debt Reduction in Repayment	75	186	67
Permanent Disability/Death Benefit	225	2,592	165
Interest Relief Grants	1,500	1,071	753
Class A Interest - Royal Bank Loans	-	(49)	15
Bad Debt Expense	5,550	2,208	5,058
Interest Grants to Students	4,500	2,497	3,062
Interest on General Revenue Fund Loan	4,400	3,495	3,285
Collection Costs	500	174	45
Service Provider Costs	1,150	1,009	918
Bursaries and Scholarships	1,011	1,155	805
	50,937	39,849	37,042
(Decrease) Increase in Net Financial Assets for the Year	$ (2,400)	$ (9,066)	$ 8,472
Net Financial Assets, Beginning of Year	15,010	15,010	6,538
Net Financial Assets, End of Year to Statement 1	$ 12,610	$ 5,944	$ 15,010

(See accompanying notes to financial statements)

Saskatchewan Student Aid Fund
Statement of Cash Flows
For the Year Ended March 31

	2006	2005
	(thousands of dollars)	
Cash Provided by (used in) Operating Activities:		
(Decrease) Increase in Net Financial Assets for the Year	$ (9,066)	$ 8,472
Change in Non-Cash Working Capital Items:		
(Increase) Decrease in Accrued Interest	(75)	28
(Increase) Decrease in Other Receivables	(406)	1,349
(Increase) in Student Loans Receivable	(8,399)	(16,232)
Increase in General Revenue Fund Interest Payable	62	92
(Decrease) in Due to Royal Bank of Canada	(668)	(3,274)
(Decrease) in Bursaries and Grants Payable	(1,078)	(523)
Increase in Deferred Revenue - Canada Study Grant	852	417
Increase (Decrease) in Other Accounts Payable	70	(77)
Net Change in Non-Cash Working Capital Items	(9,642)	(18,220)
Financing Activities:		
Increase in General Revenue Fund Loan Payable	6,000	14,181
Net Change in Financing Activities	6,000	14,181
Net (Decrease) Increase in Due from General Revenue Fund	(12,708)	4,433
Due from General Revenue Fund, Beginning of Year	44,562	40,129
Due from General Revenue Fund, End of Year	$ 31,854	$ 44,562

(See accompanying notes to financial statements)

Saskatchewan Student Aid Fund Notes To The Financial Statements March 31, 2006

1. Authority

The Saskatchewan Student Aid Fund (the Fund) operates under the authority of *The Student Assistance and Student Aid Fund Act, 1985*. The primary purpose of the Fund is to support the Saskatchewan Student Loan Program. The Trustees of the Student Aid Fund administer the Fund.

2. Description of the Program

Under the terms of the Saskatchewan Student Loan Program, student loans are provided to qualifying individuals based on a determination of need. Loans are interest-free while the student is in full time studies and for a maximum of six months between periods of study. They become repayable on the first day of the seventh month following discontinuance of studies or graduation, however, interest begins to accrue on the first day of the first month following discontinuance of studies or graduation.

There are five debt reduction benefits offered through the Fund. Program benefits are tied to loan years, which commence August 1 and end July 31 of each year.

- The Saskatchewan Student Bursary provides a maximum of $110 (2005 - $75) per week to all students with a need in excess of $210 (2005 - $200) per week in the borrower's first 170 weeks of post-secondary study ever taken.

- The Canada and Saskatchewan Study Grants provide a maximum of $95 (2005 - $125) per week to students with dependents.

- For the 2004/05 loan year, a Remission benefit for Special Incentive Students provided a maximum of $35 per week of study for the first 60 weeks of post-secondary schooling ever taken. The Remission program was eliminated for the 2005/06 loan year.

- Debt Reduction in Repayment provides a one-time reduction of student loan payable to a maximum of $3,000 for borrowers who have been granted the maximum allowable interest relief benefits available and who have been out of school for 60 months but continue to experience financial hardship.

- A provision for borrowers with Permanent Disabilities provides loan forgiveness to borrowers who suffer from a permanent disability that impairs the borrower's ability to repay their loan. Previously, the permanent disability must have been sustained while in a period of study or before the first day of the seventh month after the borrower ceased to be a full-time student. Effective June 1, 2005 and retroactive to August 1, 2000, loan forgiveness will be applied regardless of when in the loan life cycle the disability occurs.

In addition to debt reduction benefits, the Fund provides further debt management assistance to students through the Interest Relief and Extended Interest Relief programs. These programs provide repayment deferral to eligible students for a maximum of 54 months.

In May 1999, the Province of Saskatchewan signed a ten year agreement with the Canada Millennium Scholarship Foundation. For the 2005/06 loan year, this agreement will provide $8,869 thousand in millennium bursaries to 2,610 Saskatchewan post-secondary students. Millennium bursaries are applied against student loan balances.

Prior to August 1, 1996, the Province provided funding for student loans, and all loan administration was undertaken by staff of the Department. During the period August 1, 1996 to July 31, 2001, the Royal Bank was the financier of student loans and assumed responsibility for the disbursement, management and collection of student loans. Under a separate agreement with Royal Bank which was effective October 1, 1997 to December 31, 1999, substantially all of the loans held by the Fund were transferred to Royal Bank. Borrowers who had their loans transferred to Royal Bank retain the rights associated with their loans (i.e. interest rate, repayment term and interest relief eligibility). Loans held by Royal Bank are eligible for all of the debt reduction and debt management benefits of the Saskatchewan Student Loan Program.

The Fund pays to Royal Bank costs associated with maintaining lender financed loans in interest-free status while students are in school, interest relief benefits granted to borrowers experiencing financial hardship in the repayment of their loans, and a 5% risk premium upon consolidation of individual student loans.

On June 19th, 2001, the Province entered into an agreement with the Government of Canada to integrate the delivery and administration of Canada and Saskatchewan student loans. The Canada-Saskatchewan Integration Agreement for the Harmonization and Administration of Federal and Provincial Student Loans Programs became effective August 1, 2001. In conjunction with the agreement, the Department provides loan authorization for both Saskatchewan and Canada student loans, and the Province is re-established as the financier of Saskatchewan student loans. On behalf of the Department and the Government of Canada, two external agencies (service providers) manage the disbursement, administration and repayment of integrated student loans. On behalf of the Province, the Government of Canada is responsible for the collection of bankrupt and defaulted loans. Student benefits as described above are applicable to Canada/Saskatchewan integrated loans.

3. Significant Accounting Policies

The financial statements are prepared in accordance with generally accepted accounting principles as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The following accounting policies are considered significant.

a) Accrual Basis

The financial statements are prepared on the accrual basis of accounting.

b) Revenues

The Appropriation from the General Revenue Fund is recorded when receivable.

Federal Canada Study Grants are recorded in the year in which the related Canada Study Grants - Students with Dependents and Federal Canada Study Grants - Other are recognized.

Interest on Student Loans and Interest Payments from the General Revenue Fund are recorded when receivable.

Recovery of Bad Debt is recorded when received.

c) Expenses

Saskatchewan Student Bursaries, Saskatchewan Study Grants and Canada

Study Grants - Students with Dependents are recorded as they are earned by students over their period of study. Special Incentive Loan Remissions, Debt Reduction in Repayment, Permanent Disability/Death Benefit, Interest Relief Grants, Risk Premium, Loan Guarantee, Class A Interest - Royal Bank Loans and Bad Debt Expense are recorded based on estimates of expected utilization.

Interest Grants to Students reflect the cost of holding student loans in interest free status during periods of study. The cost is recorded at the time of loan disbursement and amortized to revenue over the estimated interest free term (Loan Discount Amortization).

Interest on General Revenue Fund Loan, Collection Costs and Service Provider Costs are recorded in the period that the expense was incurred.

Federal and Provincial Study Grants - Other and Bursaries and Scholarships are expensed when approved.

d). Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates. Measurement uncertainty impacts Student Loans Receivable (Note 4) and Due to Royal Bank of Canada (Note 5).

e) Student Loans Receivable

Student loans are carried at the amount advanced plus accrued interest. Simple interest is charged on loans following the interest-free in school period. Payments on loans are first applied to interest, then to outstanding principal.

For loans held by the Fund, allowances are deducted from loans receivable for the following:

i) estimated uncollectible loans due to default on repayment, based on past collection experience;

ii) the cost of holding student loans in interest-free status; and

iii) estimated debt reduction and debt management benefits.

4. Student Loans Receivable

		2006	2005
		(thousands of dollars)	
	Loans outstanding beginning of year	$122,769	$99,443
Add:	New loans during the year	54,480	58,787
	Interest earned on student loans	4,238	3,006
Deduct:	Loan repayments net of payments on written off accounts	(10,739)	(6,964)
	Amounts authorized to reduce loans	(36,638)	(31,503)
	Loans written off	(286)	----
	Gross Student Loans Receivable, end of year*	$133,824	$122,769
Deduct:	Allowance for Interest Relief	(2,939)	(2,381)
	Allowance for Debt Reduction in Repayment	(311)	(208)
	Allowance for Permanent Disability/Death Benefit	(3,017)	(707)
	Interest Grants to Students	(4,018)	(4,745)
	Canada Study Grants Payable	(2,317)	(2,747)
	Saskatchewan Study Grants Payable	(1,253)	(2,934)
	Student Bursaries Payable	(14,994)	(12,142)
	Remission	(200)	(2,452)
	Allowance for Uncollectible Loans	(23,699)	(21,776)
	Student Loans Receivable, end of year	$81,076	$72,677

***Includes Consolidated Loans (loans in repayment) of $55,274 thousand (2005 - $42,170 thousand)**

Student Loans Receivable consist of amounts owing by borrowers for loans granted prior to the Canada-Saskatchewan Integration Agreement (2006 - $2,924 thousand; 2005 - $3,484 thousand), and subsequent to the integration agreement (2006 - $130,900 thousand; 2005 - $119,285 thousand), offset by debt reduction benefits payable, debt management benefits payable and the allowance for uncollectible loans.

Included in amounts authorized to reduce loans are Saskatchewan Student Bursaries and Saskatchewan Study Grants. These have been reduced by $6,766 thousand (2005 - $6,546 thousand), which is a portion of the $8,869 thousand received from the Canada Millennium Scholarship Foundation.

Variability in Student Loans Receivable

Estimation is a factor in the following offsets to Gross Student Loans Receivable:

Allowance For Interest Relief
The allowance is an estimate of future costs based on projected prime rates of interest and actuarial estimates for program take-up and months of interest relief utilization.

Allowance for Debt Reduction in Repayment
The allowance is an estimate of future costs based on actuarial estimates.

Allowance for Permanent Disability/Death Benefit
The allowance is an estimate of future costs based on actuarial estimates. For 2006, the

actuarial provisioning rate for benefits to the point of loan consolidation was extrapolated to recognize benefits now granted after loan consolidation.

Interest Grants to Students
The benefit was calculated assuming that students remain in school for an average of three years, and applying the Fund's borrowing rate.

Remission
The Remission program has been eliminated. The remaining accrual is an estimate of benefits which may still be paid for the 2004/05 loan year.

Allowance for Uncollectible Accounts
The Fund is exposed to losses in the event that borrowers default on repayment of their student loans. The Fund's maximum risk is represented by Gross Student Loans Receivable.

Management estimates are used to determine the dollar value of loans expected to be uncollectible. For 2006 the estimate is 20% (2005 - 20%) of net loan disbursements.

Interest income continues to be earned on all loans to the point of write-off. The recorded Allowance for Uncollectible Loans includes provision for interest income earned on impaired loans.

These allowances could reasonably be expected to fluctuate in the next twelve months as follows:

	2006		2005
	Actual	Range of Accruals	Actual
		(thousands of dollars)	
Allowance for Interest Relief	$2,939	$1,019 - $4,804	$2,381
Debt Reduction in Repayment	311	245 - 368	208
Permanent Disability/Death	3,017	2,365 - 3,632	707
Interest Grants to Students	4,018	n/a	4,745
Remission	200	50 - 250	2,452
Allowance for Uncollectible Loans	23,699	22,464 - 24,937	21,776

Loan Interest Rates

Loans in repayment are subject to interest rate risk related to repayment terms. The current portfolio of loans in repayment have effective interest rates of 5.00% to 12.00% (2005 - 5.00% to 12.00%). The Minister charges interest rates pursuant to *The Student Assistance* and *Student Aid Fund Regulations, 2001* and *The Saskatchewan Student Direct Loans Regulations*.

For the majority of loans held by the Fund, interest rates are set at the option of the student either at prime plus 2.5% (floating rate) or prime plus 5.0% (fixed rate) at the time of loan consolidation.

The fair value and repayment period of loans receivable have not been disclosed because it is not practicable to determine the loan repayments with sufficient reliability. There are a number of factors needed to estimate the timing and the amount of loan repayments. These factors include the Fund's historical experience, applications for interest relief, debt reduction, economic conditions, and the necessity to rely on the actions of a large number of individuals.

Interest rates for consolidated loans are as follows:

Interest Rate	2006 Total Balance	2005 Total Balance
	(thousands of dollars)	
Less than 8.0%	$565	$39,599
8.0% - 8.9%	53,678	1,256
9.0% - 9.9%	916	1,176
10.0% - 10.9%	52	50
11.0% or greater	63	89
Loans Consolidated	$55,274	$42,170

5. Due to Royal Bank of Canada

The Fund estimates amounts due to Royal Bank. Estimation is a factor in the following:

Class A Interest is estimated based on the current loan receivable balance of students in school, the projected time that students will remain in school, and the projected market rate of interest.

Interest Relief is estimated based on projected prime rates of interest and actuarial estimates for program take-up and months of interest relief utilization.

Permanent Disability and Debt Reduction in Repayment are estimated by applying actuarial estimates to outstanding loan balances held by Royal Bank.

Variability in estimates for Risk Premium and Loan Guarantee are not material to these statements.

These estimates could reasonably be expected to fluctuate within the next twelve months as follows:

	2006		2005
	Actual	Range of Accruals	Actual
		(thousands of dollars)	
Class A Interest	$ 538	$ 491 to $ 584	$ 834
Interest Relief	1,567	841 to 2,348	1,834
Permanent Disability	307	256 to 369	147
Debt Reduction in Repayment	135	113 to 163	135
Other Payables	200	n/a	465
Due to Royal Bank of Canada	$ 2,747		$ 3,415

6. Bursaries and Study Grants Payable

Bursaries and Study Grants Payable represents benefits earned by students which could not be applied against Saskatchewan Student Loan balances.

7. Due from General Revenue Fund

The Fund's bank accounts are included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan.

The Fund's earned interest is calculated and paid quarterly by the General Revenue Fund to the Fund using the General Revenue Fund's thirty day borrowing rate and the Fund's average daily bank account balances.

Included in this amount is $24,300 of restricted funds used for scholarships.

8. General Revenue Fund Loan

Effective August 1, 2001, the Province assumed responsibility for the financing of student loans. A loan from the General Revenue Fund is provided to the Student Aid Fund to support this role.

The interest rate charged on the General Revenue Fund Loan is at the Province's eight year cost of borrowing. The Province's average eight year cost of borrowing rate for 2006 was 4.24% (2005 - 4.79%). Under the terms of the loan agreement, the Student Aid Fund makes quarterly loan payments to the General Revenue Fund. The dollar amount of the required loan payment is calculated as the sum of debt reduction benefits applied against student loans, the principal portion of student payments and accounts written off.

9. Fair Values

Due from the General Revenue Fund, Accrued Interest, Other Receivables, General Revenue Fund Interest Payable and Deferred Revenue are all short-term in nature and as such their fair value approximates carrying value.

The Student Loans Receivable, General Revenue Fund Loan, Due to Royal Bank of Canada, and Bursaries and Study Grants Payable are long-term in nature and there is no market for selling or settling these assets or liabilities. Therefore, the determination of fair value of these assets and liabilities is not practicable.

10. Related Party Transactions

In accordance with established government practice, all administrative and occupancy costs are paid by the Department of Learning. Accordingly, no provision for these costs is reflected in these financial statements. Costs paid to other government agencies for loan collection services are paid by the Fund. Other related party transactions are disclosed separately in these financial statements.

11. Millennium Trust

On May 7, 1999 the Province and the Canada Millennium Scholarship Foundation entered into a ten-year agreement for the administration of General Awards provided to students by the Canada Millennium Scholarship Foundation. Under the agreement, the Province is to receive "in trust monies" to be paid to qualifying students and is responsible to ensure that the funds are properly disbursed.

Millennium funds are allocated to each Province based on the Province's share of the population of Canada. For the 2005-06 loan

year, Saskatchewan's allocation of Canada Millennium Scholarship General Awards was $9,297 thousand. Of this, $453 thousand was advanced and allocated in the 2004-05 loan year.

At March 31, 2006 net assets held on behalf of the Canada Millennium Scholarship foundation by the Student Aid Fund were $26 thousand.

12. Comparative Figures

Certain of the 2005 financial statement disclosures have been reclassified to conform with presentation of the 2006 figures.

Copies of this report are available by contacting:
Student Financial Assistance Branch
Saskatchewan Advanced Education and Employment
4635 Wascana Parkway
Box 650
Regina, SK S4P 3A3
Phone: (306) 787-0253
Fax: (306) 787-7537
Internet: http://www.aee.gov.sk.ca/sf_assist/index.shtml